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**Financing of the United Nations Mission in Bosnia and Herzegovina**

# Final performance report of the United Nations Mission in Bosnia and Herzegovina

## Report of the Secretary-General*

*Summary*

The present report contains the final performance report of the United Nations Mission in Bosnia and Herzegovina (UNMIBH).

The report contains information on income and expenditure, assets, outstanding liabilities and fund balances as at 30 June 2004, which are briefly summarized as follows (in thousands of United States dollars):

| *Description* | *Amount* |
|---|---|
| Cash assets | 26 337 |
| Less: Liabilities | 19 155 |
| **Net cash available** | **7 182** |
| Uncollected assessments and other receivables | 37 688 |
| **Fund balance** | **44 870** |

**The action to be taken by the General Assembly is set out in section IV of the present report.**

* The present report was delayed owing to internal consultations.

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# I. Introduction

1. By its resolution 1035 (1995) of 21 December 1995, the Security Council established a United Nations civilian police force to be known as the International Police Task Force, to be entrusted with the responsibilities set out in annex 11 of the General Framework Agreement for Peace in Bosnia and Herzegovina and the annexes thereto (collectively "the Peace Agreement" contained in document A/50/790-S/1995/999, attachment) and a United Nations civilian office with responsibilities set out in the report of the Secretary-General dated 13 December 1995 (S/1995/1031). This operation was referred to as the United Nations Mission in Bosnia and Herzegovina (UNMIBH). The mandate and strength of UNMIBH were subsequently expanded by the Security Council in its resolutions 1103 (1997) of 31 March 1997 and 1107 (1997) of 16 May 1997.

2. In accordance with Security Council resolution 1423 (2002) of 12 July 2002, the mandate of UNMIBH expired on 31 December 2002.

### Liquidation

3. While the withdrawal of the Mission was completed on 31 December 2002, the administrative closing of UNMIBH was effected from 1 January to 30 June 2003.

### Disposition of assets

4. Information on the disposition of the assets of UNMIBH was contained in the report of the Secretary-General dated 23 February 2004 (A/58/720). The General Assembly took note of that report in its resolution 58/300 of 18 June 2004.

# II. Financial performance report

5. As shown in table 1 below, income to the United Nations Mission in Bosnia and Herzegovina totalled $1,127,301,000 derived from assessed contributions and budgeted voluntary contributions in kind. The total in assessed contributions has been fully appropriated by the General Assembly for the operation of UNMIBH.

6. Expenditures amounting to $986,685,000 were partially offset by $24,799,000 of savings on or cancellation of prior-period obligations, thereby resulting in net expenditures of $961,886,000. The unencumbered balance realized by the Mission amounted to $165,415,000, of which $136,942,000 in credits were returned to Member States, resulting in a balance of appropriations of $28,473,000.

Table 1
**Income, expenditure and fund balance for the period from inception (21 December 1995) to 30 June 2004**
(Thousands of United States dollars)

| *Description* | *Amount* |
|---|---|
| **Income** | |
| Assessed contributions | 1 127 149 |
| Voluntary contributions in kind (budgeted) | 152 |
| **Total income** | **1 127 301** |
| **Expenditure** | |
| Expenditure[a] | 986 685 |
| Savings on or cancellation of prior-period obligations | (24 799) |
| **Net expenditure** | **961 886** |
| Unencumbered balance | 165 415 |
| Credits returned to Member States | (136 942) |
| **Balance of appropriations** | **28 473** |
| Voluntary contributions in cash | 6 |
| Interest income | 17 152 |
| Other/miscellaneous income | 19 884 |
| Prior-period adjustments | (723) |
| Credits returned to Member States | (19 922) |
| **Fund balance** | **44 870** |

[a] Includes budgeted voluntary contributions in kind.

7. Additional income realized amounted to $37,042,000 and comprised of voluntary contributions in cash ($6,000), interest income ($17,152,000) and other/miscellaneous income ($19,884,000). Out of this amount a total of $19,922,000 has been credited to Member States. In addition, prior-period adjustments of $723,000 were charged against the fund balance.

8. Information on UNMIBH assets, liabilities and fund balance as at 30 June 2004 is shown in table 2 below.

Table 2

**Assets, liabilities and fund balance as at 30 June 2004**

(Thousands of United States dollars)

| *Description* | *Amount* |
|---|---|
| **Assets** | |
| Cash assets | 26 337 |
| Less: Liabilities | 19 155 |
| **Net cash available** | **7 182** |
| Uncollected assessments and other receivables[a] | 37 688 |
| **Net assets** | **44 870** |
| **Fund balance** | **44 870** |

[a] Inclusive of $59,000 in other accounts receivable, other accounts receivable from Member States and inter-office transactions pending processing.

9. The assets of UNMIBH as at 30 June 2004 comprised $37,688,000 in uncollected assessed contributions and other receivables as well as net cash available of $26,337,000. The uncollected assessments and other receivables will be liquidated upon receipt from Member States.

## III. Updated cash position of peacekeeping operations

10. As at 30 June 2004, outstanding loans amounting to $49,816,000 were owed to closed peacekeeping operations, consisting of $47,816,000 owed to closed missions with cash balances and $2 million to the United Nations Transition Assistance Group (UNTAG). Between 1 July 2004 and 28 February 2005, new loans were made to the United Nations Mission for the Referendum in Western Sahara (MINURSO) ($2.5 million), the United Nations Interim Administration Mission in Kosovo (UNMIK) ($55 million), the United Nations Observer Mission in Georgia (UNOMIG) ($5 million) and the International Criminal Tribunal for Rwanda ($13.5 million). These loans resulted from significant cash shortages in MINURSO, UNMIK, UNOMIG and the International Tribunal for Rwanda owing to significant non-payment of assessments, which threatened the viability of those operations. Out of the total amount of $83 million loaned to UNMIK, $68 million has been repaid. There were also short-term borrowings by the General Fund, which were repaid in full. Loans outstanding as of 28 February 2005 total $57,816,000 and it is expected that the need for these operations to borrow from closed peacekeeping missions will continue. Repayments of loans are solely dependent upon the receipt of outstanding assessed contributions.

11. By its resolution 1565 (2004) of 1 October 2004, the Security Council authorized the expansion of the United Nations Organization Mission in the Democratic Republic of the Congo (MONUC). The Security Council is also expected to authorize the establishment of a large peacekeeping operation in the Sudan this month. The revised budget for MONUC and financing arrangements for the mission in the Sudan up to 30 June 2005 will be considered by the General

Assembly at the first part of its resumed fifty-ninth session. The budget for the mission in the Sudan for the periods from 1 July 2004 to 30 June 2005 and from 1 July 2005 to 30 June 2006 will be reviewed by the Assembly at the main part of its sixtieth session.

12. The cash available in the Peacekeeping Reserve Fund as at 28 February 2005 amounted to $134.1 million. An amount of $100 million from the Fund has been authorized under the terms of General Assembly resolution 49/233 A of 23 December 1994 by the Advisory Committee on Administrative and Budgetary Questions, consisting of $50 million pre-mandate commitment authority for the Sudan and $50 million for MONUC. Once the Security Council decides to authorize the new operation, which is expected to be deployed rapidly given the firm commitments by troop-contributors, there will be a need for immediate cash requirements before the General Assembly has completed its review and approval of the full budgets for the periods 2004-2005 and 2005-2006. In the meantime, it will therefore be necessary to obtain a second commitment authority of $50 million for the Sudan, to be financed from the Peacekeeping Reserve Fund, to meet some of the requirements. Once the Assembly has taken action in March on MONUC and the prospective mission in the Sudan, assessment notices would be issued in April. The costs of start-up of the Sudan mission and the expansion of MONUC would total approximately $900 million. The Peacekeeping Reserve Fund will also be the initial means of financing the expansion of MONUC and the new operation in the Sudan until assessments are collected. Experience has shown that there is a significant time lag of about 60 to 120 days between the issuance of assessments and the collection of contributions. Consequently, the available cash in the Peacekeeping Reserve Fund ($134.1 million) would be insufficient to meet all of the foreseeable cash requirements for the Sudan and the expansion of MONUC. Pending the payment of assessed contributions, the shortfall would have to be met from loans from closed peacekeeping missions.

## IV. Action to be taken by the General Assembly

13. **The Secretary-General proposes that the cash balance of $7,182,000 available in the UNMIBH special account as at 30 June 2004 be retained. The Secretary-General will report to the General Assembly at its sixtieth session on the matter.**